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9 June 1977

MEMORANDUM FOR THE RECORD

SUBJECT: PRM-29 (Classification System Review) Meeting

1. Pursuant to Presidential direction in PRM/NSC-29, an ad hoc committee was established to begin work on a new Executive Order (replacing E.O. 11652) governing the security classification system. The first meeting was held on 8 June 1977, co-chaired by Robert Gates, NSC Staff, and Richard Neustadt, Domestic Council Staff.

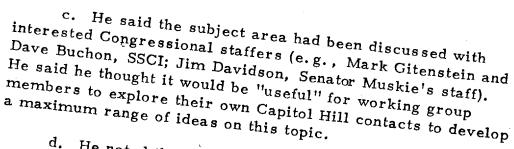
[Staff]

[having been previously designated as committee members by the DCI, attended for CIA and the IC Staff respectively. Other attendees were from Defense, State, Justice, ERDA, and OMB (attachment A lists them).

- 2. Mr. Neustadt opened the meeting by noting the President's personal interest in the subject. Mr. Gates conducted the remainder of the meeting as follows:
 - a. He established two working groups, one on classification and declassification; the other on implementation and review. He named Art Van Cook, Department of Defense, to chair the first; Bob Wells, Executive Secretary, Interagency Classification Review Committee, to chair the second. He said each department and agency represented on the parent group would be represented on the working groups. Assignments for these groups are shown on Attachment B. The group chaired by Mr. Van Cook will be of key interest to the Intelligence Community. It will deal with classification categories, classification guidance, downgrading and declassification, exemptions therefrom, and special access controls (compartmentation).
 - b. He described an accelerated schedule (Attachment C), noting that the next meeting of the whole group would be a several day long plenary session in mid-July to try to resolve issues for SCC decision.

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- d. He noted that the Attorney General's subcommittee on PRM-11 had prepared a report on unauthorized disclosures, and that this subcommittee was "critical of compartmentation within the Intelligence Community," and that they perceived a need for "cost-benefit studies before compartments were established." Mr. Gates observed that other than this subcommittee, those involved in PRM-11 appeared to "have stepped away from every major issue of concern to the PRM-29 group."
- e. He identified these as major issues requiring study and decision: (1)
 - The Intelligence Community has been essentially unaffected by E.O. 11652 through use of exemptions from downgrading and declassification, which "may have been abused."
 - (2) Compartmentation, which he noted was of interest
 - (3) Over-classification and over-exemption.

He suggested that subcommittees of the working groups might be needed to deal with these issues. Another topic he said needed to be examined was the relationship between the proposed Executive Order and the DCI's statutory responsibility for sources and methods (including COMINT).

f. He suggested that it might be worthwhile talking with Justice personnel involved in litigating Freedom of Information Act cases involving classification, to get some idea of what approaches had proved durable and what not. He told attendees that Jerry Schecter, White House Staff, was the person to whom any press or public inquiries on this study effort should be

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3. COMMENT: Mr. Van Cook makes no secret of his distaste
for compartmentation, which he considers "duplicative" and apparently
unnecessary. He has prepared a strawman version of the new Evecu-
tive Order which would in effect permit a department or agency to nick
and choose whether it would abide by special access controls applied
by another department or agency. I talked with him at some length
after the meeting, and believe he may be willing to listen to strongly
presented arguments for compartmentation based on fairly strict
tests of its need and effects.

	4.	Mr. V	√an	Cook	advis	sed th	nat he	would	chai	r a m	eeting	of the
group	on	Frida	y, :	lo June	, in	Roon	n 5104	NEOB	. to	set un	subco	mmittees
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D	CI Security Committee

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Attachments:

- A. Meeting Attendees
- B. Working Group Assignments
- C. Proposed Work Schedule

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